

Media, PA— Congressman Joe Sestak (D-PA) held a press conference with support labor leaders from the Southeastern Pennsylvania Area Labor Council to stress the importance of the Children's Health and Medicare Protection Act (CHAMP), which reauthorizes and expands the State Children's Health Insurance Program (SCHIP) while also making key enhancements to Medicare and preventive care for our nation's seniors. The CHAMP Act is endorsed by the AARP. — "I believe it is essential to the health security of our nation, to ensure that every child in America will be provided with adequate health care coverage. With SCHIP set to expire on September, I believe we must act now to not only protect affordable health care insurance coverage for the six million low-income children across America, who participate in the SCHIP program, but to extend health care coverage to five million more low-income children, covering a total of 11 million children. In addition, CHAMP makes important enhancements to Medicare that will be beneficial to older Americans." said Congressman Sestak. At the press conference, labor leaders spoke about the importance of the CHAMP bill. The CHAMP Act passed the House of Representatives on August 1, 2007.

"Thank you, Congressman, for voting for the CHAMP bill, which will provide coverage for 11 million low income children and improve Medicare benefits for 44 million Americans. We call on the Senate to take up these improvements to Medicare," said Steve Sarno, President of the IBEW Local 126.

SCHIP is a national program that was created to address the growing number of children in the United States without health insurance coverage. It was established on a bipartisan basis in 1997 by President Clinton and Congress, and currently covers 188,800 children in Pennsylvania. While both the House and Senate have passed versions of the SCHIP Reauthorization, six million children nationwide could lose their health care if the program is not signed by the President into law by September 30, 2007.

"Two years ago, my daughter was diagnosed with a malignant brain tumor. After brain surgery, we began chemotherapy in a cancer ward. Her roommate the first day was a two and half year old boy diagnosed with acute leukemia. And my wife and I could not but overhear social workers discussing over a period of six hours if they boy could stay and receive treatment because he didn't have health insurance. I am very fortunate that this nation, through my military health care plan, gave opportunity for life for my daughter. This was the reason I wanted to serve in Congress...to ensure every child would have that opportunity—like the two and half year old boy—to live a healthy productive life. This is why I strongly believe in SCHIP and in enhancing the program," said Joe.

This growth in SCHIP enrollment is possible because the CHAMP Act revises the payment formula for states and dramatically improves outreach and enrollment via new incentive payments to states and streamlined eligibility for children. The CHAMP Act improves the benefits available to children by assuring coverage of dental care and mental health parity. The CHAMP Act grants states the option of covering pregnant women and increasing CHIP eligibility to age 21 to match Medicaid's age limit. The CHAMP Act does not change existing law, which states that undocumented immigrants are not eligible for regular Medicaid. It specifically states individuals who are not legal residents may not receive coverage.

The CHAMP Act also includes a number of provisions to strengthen Medicare, control out of pocket costs for seniors, and help ensure seniors have access to the doctors of their choice by stopping a scheduled 10 percent payment cut to doctors, while making key reforms, described below. Additionally, the legislation ends massive overpayments to private health organizations like HMOs and makes a series of preventative screenings free for Medicare beneficiaries.

"The CHAMP Act will help ensure seniors see the doctor they trust and get the care they need," added Congressman Sestak. "The legislation we passed today makes Medicare stronger and helps prevent seniors from being stuck with a higher bill at the doctor's office."

#### Medicare Preventive Benefits

All Medicare beneficiaries deserve access to affordable preventive services, which improve health and reduce long-term costs. The CHAMP Act makes Medicare's preventive benefits more affordable by eliminating all co-payments and deductibles for these services. It also makes it easier for Medicare to add new preventive benefits. Under current law, Congress has to act to add any new preventive benefit to Medicare. Under the CHAMP Act, the Centers for Medicare & Medicaid Services (CMS) is granted authority to add preventive benefits without Congressional approval. Such new free benefits under Medicare provided under the CHAMP Act include: diabetes screening tests, screening for glaucoma, an initial preventive physical examination, bone mass measurement, prostate cancer screening tests, colorectal cancer screening tests, mammography screening, and pap smear screening.

The CHAMP Act also improves Medicare's treatment and enhances preventive benefits for beneficiaries with mental illness. For years, Medicare treated beneficiaries with mental illness as second-class citizens, forcing them to pay a 50% co-payment in the outpatient setting when all other outpatient services are subject to a 20% co-payment. The CHAMP Act eliminates this discrepancy by phasing down the 50% co-payment to 20% by 2012.

#### Medicare Cost for Seniors

CHAMP will also help low-income beneficiaries get needed assistance as millions of low-income beneficiaries on limited fixed incomes struggle each month to pay for health care costs. Many of these beneficiaries would be eligible for the Medicare Savings Programs or the Part D Low-Income Subsidy but for the programs' stringent income and asset requirements. The CHAMP Act significantly improves programs that assist low-income beneficiaries by expanding and improving the Low Income Subsidy (LIS) program for drugs and the Medicare Savings Programs (MSP). These programs pay beneficiary premiums, lower co-payments, and reduce drug costs.

#### New Consumer Protections for Medicare Part D

All Medicare beneficiaries win better consumer protections under the CHAMP Act. For example, it allows beneficiaries to change drug plans if they are adversely affected by a drug plan formulary changes during the year and codifies the requirement that Part D plans cover all or substantially all drugs in six important therapeutic classes of drugs. Under current law, Part D plans are specifically prohibited from covering benzodiazepines, a class of drugs used to manage health conditions including anxiety disorders, seizures, and other medical conditions. The CHAMP Act allows Part D plans to cover these vital drugs and codifies current CMS guidance requiring coverage of drugs in the following six therapeutic classes: Anticonvulsants, Antidepressants, Antineoplastics, Antipsychotics, Antiretrovirals, and Immunosuppressants.

#### Health Disparities in Medicare

Medicare provides the same benefits for every beneficiary, but racial and ethnic disparities still exist in the program. For example, in 2004, two-thirds of whites 65 years and older received flu vaccines compared with just 45 percent of African-Americans and 55 percent of Hispanics. The CHAMP Act will reduce disparities by requiring CMS to collect and report new disparities data, improving outreach to limited English proficient populations, and improving support for previously uninsured beneficiaries entering the program.

#### Medicare Physician Payment Reform

The CHAMP Act stabilizes physician reimbursement by eliminating the impending 2008 and 2009 fee cuts (projected to be -10.0 percent and -5.0 percent, respectively) and puts in place a positive 0.5 percent update in both 2008 and 2009. The bill also lays the foundation for a future physician reimbursement system that promotes quality of care and maximizes efficiency.

#### Medicare Advantage Reform

The CHAMP Act phases out MA overpayments over four years to 100 percent of FFS in 2011. This change extends Medicare solvency by three years and restores equity in Medicare premiums for all beneficiaries. It improves consumer protections by developing a Federal/State system to regulate private plan marketing and other activities. It prohibits private plans from charging higher cost-sharing than fee-for-service Medicare.

#### Medicare Provider Payments and Additional Improvements

The CHAMP Act takes into account recommendations from the non-partisan Medicare Payment

Advisory Commission and refines payments for a variety of institutional providers including skilled nursing facilities, home health agencies, rehabilitation facilities, long-term care hospitals, cancer hospitals and rural and small urban hospitals. The legislation also updates Medicare coverage policy for a range of providers. Improvements include: continuing the therapy cap exceptions process and planning for an improved payment system; improving coverage for speech language pathologists, nurse midwives, marriage and family therapists, mental health counselors; and assuring access to clinical social workers for beneficiaries in nursing homes. It also ends the ability of physicians to refer to hospitals in which they have ownership.

The legislation establishes a comparative effectiveness program to provide the information doctors and patients need to choose the best treatments, leading to better health outcomes and value nationwide. It requires the Medicare agency to design a program to require adoption of an interoperable open source health information technology system for all Medicare providers. Importantly, the CHAMP Act overrides provisions that have been inserted into the law in recent years that are designed to privatize Medicare – or turn it into a voucher.

The CHAMP Act is financed through adjusting current federal health spending and is fiscally responsible. The only other funding source in this bill is increasing the current federal excise tax on cigarettes by \$.45 per pack – significantly less than the \$.61 per pack in the Senate version.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.